

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE

WEDNESDAY, FEBRUARY 21, 2007

2:00 P.M.

**IN THE CONFERENCE ROOM, 2220 SOUTH COUNTY TRAIL
EAST GREENWICH, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Operations and Capital Committee was called to order by Chairman, James Forte, at 2:08 p.m., in the Conference Room at 2220 South County Trail, East Greenwich, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: James Forte, Robert Sangster, Kathleen Hittner, MD; Don Pillsbury (Ex-Officio Member).

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; Brian Schattle, Senior Vice President of Finance and CFO; Peter Frazier, General Counsel; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

Mr. Forte moved that the minutes of the Operations and Capital

Committee Meeting of December 20, 2006 be approved. Mr. Sangster seconded the motion. The motion was passed unanimously.

2. Report from Chair, Operations and Capital Committee:

There was no report.

3. Report from Senior Vice President of Operations and Maintenance:

Ms. Greenberger reported that the Annual Part 139 Inspection was completed at the end of January. There were some minor discrepancies noted and they will be corrected.

Ms. Greenberger reported that along with Mr. Mini she had met with representatives from the Rhode Island Commission for the Hard of Hearing and Deaf who had presented some options to make the airport more accessible for hearing impaired patrons. Ms. Greenberger indicated that the Commission will also make a presentation to the airlines.

Ms. Greenberger reported that AAEE and TSA are working on a new Amber Alert initiative.

Ms. Greenberger reported that RIAC is working with the TSA on an alternative connectivity initiative which involves transferring data through power lines. Ms. Greenberger gave a brief overview of the technology.

Mr. Sangster asked for an update on how the Corporation had

managed during the recent severe weather events. Ms. Greenberger reported that the airlines had experienced some delays but that the airport was only closed once in order to clear the runways.

4. General Aviation Report:

Mr. Dave Lucas, Airport Manager at Quonset, gave the Operations Report in Mr. Tibbetts' absence. Discussion focused on fueling operations at the general aviation airports. There was a question concerning the increase in AVGAS sales. Mr. Lucas reported that he would do further analysis.

5. Discussion Item:

(a) Air Monitoring Statute.

Mr. Brewer gave an overview of the statute, and gave a synopsis of recent issues concerning RIAC's compliance with the provisions of the statute, including an overview of discussions with the State Attorney General's Office.

6. Action Items:

(a) Consideration of and Action Upon Approval to Enter Into a Professional Services Agreement with PB Americas Inc., for Project Management Services for the Warwick Intermodal Project.

Mr. Schattle gave an overview of the agreement. The recommendation is that the Committee authorize the President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with PB Americas, Inc. for project management services associated with the Intermodal facility, subject to Board, FHWA and RIDOT approvals.

A motion was made by Dr. Hittner and seconded by Mr. Sangster to

approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) has a Capital Improvement Program (CIP) project to construct an Intermodal Facility; and

WHEREAS, on January 24, 2007, the Board authorized RIAC to enter into negotiations with PB Americas, Inc. (PB) to provide Project Management (PM) services related to the Intermodal Facility; and

WHEREAS, this project is budgeted in RIAC's Capital Improvement Program (CIP) in the amount of \$222,456,000 with funding through the Series 2006 First Lien Bond proceeds, proceeds from the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, Federal Highway Administration (FHWA) Grants, State of Rhode Island Grants and Customer Facility Charges (CFCs); and

WHEREAS, RIAC staff has received a scope and fee from PB in the amount of \$1.9 million to perform PM services during the design and construction of the Intermodal Facility and staff is currently conducting negotiations.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with PB Americas Inc. in an amount not-to-exceed \$1.9

million to provide Project Management services associated with the Warwick Intermodal Facility, subject to Board, FHWA and RIDOT approvals.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval to Enter into a Construction Management Agreement for Pre-Construction Services for the Warwick Intermodal Project with the Gilbane Building Company.

Mr. Frazier gave an overview of the agreement. The recommendation is that the Committee authorize the President and CEO, or his designee, to enter into an agreement with Gilbane Building Company to perform preconstruction phase services through the execution of a Guaranteed Maximum Price Agreement (GMP) and construction management services for the completion of site enabling projects for the Warwick Intermodal Facility, subject to Board approval and the consent of FHWA and RIDOT.

A motion was made by Mr. Sangster and seconded by Dr. Hittner to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) has a CIP Project to construct an Intermodal Facility; and

WHEREAS, on October 18, 2006, the Board approved the selection of Gilbane Building Company (Gilbane) to perform construction management services; and

WHEREAS, on November 15, 2006, the Board approved and RIAC subsequently entered into a Letter of Intent (LOI) with Gilbane effective November 1, 2006 in the amount of \$704,767; and

WHEREAS, it is necessary to enter into an agreement with Gilbane to perform preconstruction services and construction management services for site enabling projects in order to maintain the project schedule; and

WHEREAS, RIAC staff has received a scope and fee from Gilbane in the amount of \$5,937,683 to perform preconstruction phase services through the execution of a Guaranteed Maximum Price Agreement (GMP) and construction management services for site enabling projects and are currently conducting negotiations; and

WHEREAS, services performed under this agreement will be invoiced on a time and materials basis; and

WHEREAS, the scope and fee referenced above includes the work being performed under the previously approved LOI.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to enter into an agreement with Gilbane to perform preconstruction phase services through the execution of a Guaranteed Maximum Price Agreement (GMP) and construction management services for the completion of enabling projects in an amount not-to-exceed \$5,937,683, subject to Board approval and the consent of FHWA and RIDOT.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval of a Change Order to Increase the Guaranteed Maximum Price (GMP) Agreement with Skanska USA Building, Inc., for the Terminal Security Project at T. F. Green Airport.

Mr. Mini gave an overview of the agreement, and indicated that the current GMP does not include site preparation costs associated with the infrastructure, facility or conveyor modifications required for the installation of the EDS equipment. This information only recently came to light in the monthly Baggage Handling System Coordination Meetings with the TSA and the project teams. The recommendation is that the Committee authorize the President and CEO, or his designee, to execute a Change Order to increase the GMP with Skanska for the Terminal Security Project to include additional electrical work to the baggage handling system at T. F. Green Airport,

subject to the approval of the Board.

A motion was made by Mr. Sangster and seconded by Dr. Hittner to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Guaranteed Maximum Price Agreement (GMP) with Skanska USA Building, Inc. (Skanska) to provide construction management at risk services for the Terminal Security Project; and

WHEREAS, the Memorandum of Agreement (MOA) between RIAC and the Transportation Security Administration (TSA), states that the airport is required to “...bear all site preparation costs associated with infrastructure, facility or conveyor modifications required for the installation of the EDS equipment. These costs include, but are not limited to, infrastructure work, electric, mechanical, baggage handling system installation and modifications, and vendor oversight/support to commission the EDS equipment”; and

WHEREAS, the cost associated with this electrical work is not included in the original GMP; and

WHEREAS, the Terminal Security Project is included in the approved RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$83.532 million; and

WHEREAS, RIAC staff has received a scope and fee from Skanska to provide additional electrical work to the baggage handling system (BHS) in the amount of \$457,493 and staff is currently conducting negotiations; and

WHEREAS, \$457,493 will be reallocated from the project budget contingencies to the GMP to fund this change order.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to execute a Change Order to increase the GMP with Skanska for the Terminal Security Project related to the additional electrical work to the BHS at T. F. Green Airport in an amount not-to-exceed \$457,493, subject to Board approval.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval of a Contract Amendment for the Intermodal Quick Turnaround (QTA) Fueling Facility.

Mr. Cloutier gave an overview of the project indicating that the Corporation had received the final 30% fuel system design documents for the QTA Fueling Facility as part of the Intermodal Facility, and noted that the amendment will provide 100% design

documents and will include bid phase services and general construction administration services. Funding will be provided through TIFIA proceeds. There was discussion of the various components of the project. The recommendation is that the Committee authorize the President and CEO, or his designee, to negotiate and execute a Contract Amendment with Jacques Whitford to provide 100% design, bid phase and construction administration services associated with the Intermodal QTA Fueling Facility, subject to Board approval.

A motion was made by Dr. Hittner and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) has a Capital Improvement Program (CIP) project to construct an Intermodal Facility; and

WHEREAS, on June 21, 2006, the Board authorized RIAC to enter into a Professional Services Agreement (PSA) with Jacques Whitford to provide 30% Preliminary Design Services for the Intermodal QTA Fueling Facility in the amount of \$99,260; and

WHEREAS, the Concession Agreement with the Rental Car Agencies (RACs) established a \$12 million Tenant Improvement Fund to finance the design and construction of the fuel system to be funded from proceeds of the Transportation Infrastructure Finance and Innovation

Act (TIFIA) loan secured in Fiscal Year 2006; and

WHEREAS, in accordance with the terms of the Concession Agreement with the Intermodal RAC's and subject to the indemnity provisions contained therein, RIAC will administer the process of designing the Intermodal QTA Fueling Facility, including but not limited to the storage tank(s), fuel piping, valves, pumps and safety systems and development of operating criteria and training for concurrence by the Rhode Island Fire Marshal; and

WHEREAS, Jacques Whitford has submitted a scope and fee proposal in the amount of \$654,492 to provide 100% design, bid phase and construction administration services associated with the Intermodal QTA Fueling Facility and staff is currently conducting negotiations.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to negotiate and execute a Contract Amendment with Jacques Whitford to provide 100% design, bid phase and construction administration services associated with the Intermodal QTA Fueling Facility in an amount not-to-exceed \$654,492 utilizing TIFIA proceeds, subject to Board approval.

The motion was passed unanimously.

7. Executive Session:

(a) Potential Litigation (Air Monitoring) – R.I.G.L. § 42-46-5(a)(2).

(b) Acquisition of Real Property For Public Purposes - R.I.G.L. § 42-46-5(a)(5).

At approximately 2:54 p.m., a motion was made by Mr. Sangster and seconded by Dr. Hittner to go into Executive Session. By the following vote, the motion was passed unanimously.

YEAS: James Forte

Kathleen Hittner, M.D.

Robert Sangster

NAYS: None

ABSTAIN: None

At approximately 3:00 p.m., a motion was made by Mr. Sangster and seconded by Dr. Hittner to reconvene to the Open Session. The motion was passed unanimously.

A motion was made by Mr. Sangster and seconded by Dr. Hittner to seal the minutes of the Executive Session in accordance with R.I.G.L.

§ 42-46-4 and 42-46-5(a)(5).

8. Future Meetings:

The next Operations and Capital Committee Meeting is scheduled for Wednesday, March 21, 2007 at 3:00 p.m., in the Conference Room, 2220 South County Trail, East Greenwich, Rhode Island.

9. Adjournment:

Dr. Hittner moved to adjourn at approximately 3:01 p.m. Mr. Sangster seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

James Forte, Chairman

Rhode Island Airport Corporation

Operations and Capital Committee

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE MEETING

FEBRUARY 21, 2007

| NAME | AFFILIATION |
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| Patti Goldstein | RIAC |
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| Doug Dansereau | RIAC |
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| Bruce Wilde | RIAC |
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| David Cloutier | RIAC |
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| Michael Mini | RIAC |
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| Billy Cox | RIAC |
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| Dave Lucas | Landmark Aviation |
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| Robert Goff | NEP |
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| Cynthia Needham | The Providence Journal |
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THE MINUTES OF THE EXECUTIVE SESSION OF THE RIAC

OPERATIONS AND CAPITAL COMMITTEE MEETING OF FEBRUARY 21, 2007 HAVE BEEN SEALED IN ACCORDANCE WITH R.I.G.L. § 42-46-4 AND § 42-46-5(a)(5).